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SUBJECT: AUGUST 30 EA PRESS SUMMARY

1. CHINA

AFP (NYT 8/29) SAYS NOW SEEMS DAMAGE IN PEKING FROM EARTHQUAKE THAT DEVASTATED TANGSHAN MONTH AGO WAS WORSE THAN BELIEVED AT FIRST. OVER LAST FEW WEEKS MOUNTAINS OF RUBBLE HAVE FORMED ON CAPITAL'S STREETS DUG FROM BEHIND FACADES OF BUILDINGS THAT REMAINED INTACT, THUS HIDING DAMAGE, OR FROM INNER DEPTHS OF HUTUNGS, ALLEYWAYS THAT SNAKE THROUGH OLD PARTS OF PEKING. IN CERTAIN STREETS OF CITY EVERY SECOND HOUSE BEING REBUILT OR REPAIRED.

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PEKING BROADCAST DEFENDS RED GUARDS, WHOSE UPRISING SPARKED GPCR (WP).

UPI'S GRIFFITHS REPORTS FOREIGN TRAVELLERS IN CENTRAL

CHINA SEE SIGNS OF CRIME WAVE IN WUHAN AND CHANGSHA. MANY PRISONERS PARADED THROUGH STREETS AT GUNPOINT. WALLPOSTERS REPORT CRIME INCIDENTS AND PUNISHMENTS. SENSE OF UNEASE ABOUT SUCCESSION TO MAO APPEARS FELT BY POPULACE, RESULTING IN CRIME AND VIOLENCE (PHINQ, WP 8/29).

SCHUMACHER (WP 8/29) SAYS US INTEL REPORTS TAIWAN SECRETLY REPROCESSING URANIUM; BUT ACDA AND ERDA OFFICIALS SAY UNCLEAR HOW LONG THIS HAS BEEN GOING ON AND DIFFICULT TO SAY HOW MUCH MATERIAL RESULTED. USG SAID FEARFUL OF REVEALING SOURCE OF INTELLIGENCE WHILE STILL TRYING LEARN EXTENT OF ROC ACTIVITY. PRESENTS PROBLEM FOR FORD ADMIN DURING ELECTION YEAR. ROC EMBASSY DENIES STORY. SEVERAL KNOWLEDGEABLE USG OFFICIALS DISCLAIM KNOWLEDGE OF THESE REPORTS, BUT POINT OUT ROC HAS OPENLY ACKNOWLEDGED CONSTRUCTION OF SMALL HOT CELL REPROCESSING PLANT UNDER INTERNATIONAL SAFEGUARDS. TAIWAN'S REQUEST FOR TWO NEW NUCLEAR POWER PLANTS BEING STALLED BY ACDA IN MOVE HOPED AS SIGNAL OF US DISPLEASURE. ALTHOUGH NO LONGER IAEA MEMBER, TAIWAN OSTENSIBLY REMAINS SUBJECT TO INTERNATIONAL INSPECTION.

CHINESE SCIENTIST COMPLETED TRAINING IN REPROCESSING PAST JUNE, DESPITE USG OPPOSITION TO REPROCESSING ITSELF. SENIOR DOS OFFICIAL SAYS STILL NO FINAL TURNDOWN OF ROC REQUEST TO REPROCESS FUEL FROM ITS THOR RESEARCH REACTOR SUPPLIED BY USG. TAIWAN NEEDS NO OUTSIDE APPROVAL HOWEVER, TO REPROCESS FUEL BEING USED IN NUCLEAR REACTOR PURCHASED FROM CANADA, WHICH APPEARS MORE LIKELY SOURCE OF REPROCESSING ACTIVITY THAN US-SUPPLIED HOT CELL PLANT. ROC APPEARS DIVIDED BETWEEN LARGE GROUP FAVORING ECON DEVELOPMENT PRIMARILY AND SMALL BUT POWERFUL HAWK GROUP FAVORING NUCLEAR DETERRENT.

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ROC GOVT SPOKESMAN DENIES SPENT URANIUM BEING SECRETLY REPROCESSED (AP SUN, CHITRIB; NYT).

BINDER (NYT) REPORTS ADMIN SOURCES SAYING INFO ABOUT INTELL REPORTS FROM TAIWAN DISCLOSED AS WARNING TO ROC, AND THAT ADMIN HAS REPEATEDLY WARNED ROC NOT REPROCESS URANIUM INTO PLUTONIUM OVER LAST YEAR. ONE OFFICIAL SAID WELL KNOWN TO US THAT ROC "DEVELOPING REPROCESSING TECHNOLOGY AND A PILOT PLANT FOR REPROCESSING -- BUT NOT A BOMB." ANOTHER US OFFICIAL REMARKED THAT EVEN IF ROC REPROCESSING EFFORT LARGELY EXPERIMENTAL NOW, "YOU HAVE GOT TO BE NAIVE NOT TO BELIEVE THERE IS AN ULTERIOR PURPOSE."

2. INDOCHINA

AFP'S THORAVAL INTERVIEWS NHAN DAN EDITOR HOANG TUNG, WHO REPORTS VN WORKERS' PARTY WILL SOON BE REORGANIZED, WITH PARTY MEMBERS WHO HAD ACTED IN

"BUREAUCRATIC, INTIMIDATING AND AUTHORITARIAN" MANNER BEING DISMISSED. THORVAL REPORTS OBSERVERS IN HANOI SAYING REORGANIZATION WILL NOT BE PURGE OF TOP PARTY LEADERS, BUT APPARENTLY AIMED AT GIVING RECENTLY REUNITED COUNTRY NEW APPROACH (WP).

CANADA (REUTER) WRITES IN WP (8/29) THAT SHOPS CLOSED AND SUPPLIES SLIM IN HUE, SYMBOLIC OF FORMER DEPENDENCE ON SAIGON AND US-FINANCED IMPORTS. JOBS, RICE, GAS, MONEY SCARCE, ALTHOUGH FISH AND VEGETABLES AVAILABLE AT HIGH COST. CITY OFFICIALS PLAN SENDING ABOUT ONE-THIRD POPULACE TO NEW ECON ZONES. POLITICAL EDUCATION CLASSES ACTIVE FOR ALL WALKS OF LIFE; 87-YEAR-OLD QUEEN-MOTHER REMAINS IN HER HUE HOUSE SUPPORTED BY GOVT.

CANADA ALSO REPORTS IN SEPARATE ARTICLE THAT ANTI-COMMUNIST RESISTENCE APPEARS WEAK, BUT ISOLATED INSTANCES OF SABOTAGE AND ATTACKS CONTINUE. RELAXED SECURITY ON MAJOR HIGHWAYS INDICATES THREAT MINIMAL, HE REPORTS AFTER 600-MILE ROAD TRIP. LAST FEB, PRIEST-LED ANTI-GOVT GROUP ARRESTED IN SAIGON AND BELIEVED ONE UNCLASSIFIED

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MAJOR RESISTANCE FORCE. OTHER CHURCHES AND PAGODAS SUBSEQUENTLY RAIDED. MAJOR TASK FOR GOVT IS WINNING ACTIVE SUPPORT OF POPULACE.

CHITRIB'S BARRELL, AT SONGKHLA, OBSERVES VIETNAMESE KNOW ANYONE CAUGHT TRYING ESCAPE COUNTRY FACES JAIL, HARD LABOR, EVEN DEATH -- BUT MANY STILL KEEP TRYING ESCAPE BY SEA TO THAILAND, DESPITE KNOWLEDGE THAT IF THEY SUCCEED THEY WILL BECOME REFUGEES IN STRANGE LAND AND THAT ESCAPE WILL IMPOVERISH THEM. TO DATE, 460 REFUGEES HAVE MADE IT TO SONGKHLA. GOING PRICE OF SINGLE PASSAGE OUT OF VN IS 10-15 OUNCES OF GOLD -- BETWEEN 1,300-1,700 DOLS ON CURRENT GOLD MARKET.

WP REPORTS THAI-CAMBODIAN BORDER OPENED FOR TRADE AT POIPET. BARTER APPEARS ONLY ACCEPTABLE TRADE BASIS.

3. KOREA

IN MAC MEETING SAT, UNC/NK AGREED HAVE LOWER-LEVEL STAFF DISCUSS NEW SECURITY ARRANGEMENTS FOR TRUCE VILLAGE. NO DATE SET. R/ADM FRUDDEN RENEWED DEMANDS NK PUNISH KILLERS, ASSURE SAFETY UNC PERSONNEL IN JSA.

MG HAN JU-KYONG AGAIN IGNORED FIRST DEMAND; REPLIED SAFETY SHOULD BE ASSURED JOINTLY, NOT UNILATERALLY, AND NK PROPOSAL ASSURES SAFETY BOTH SIDES(AP, SUN 8/30).

AP PHOTO NYT (8/29) SHOWS UNIDENTIFIED PRC OBSERVER AT SAT MAC MEETING; OBSERVERS DECLINED SPECULATE WHETHER MEANS PRC WILLING BACK UP NK. THO NK FAILED ASSURE SAFETY, AGREEMENT HOLD FURTHER MEETINGS SEEN SIGN OF EASING TENSIONS (WSTAR 8/29).

NYT SPEC (8/29) SAYS US TOLD NK WOULD CONSIDER PROPOSAL PARTITION TRUCE VILLAGE, PROVIDED FIRM GUARANTEE GIVEN FOR SAFETY US GUARDS IN JSA. FRUDDEN ALSO DEMANDED 4 NK GUARD POSTS BE REMOVED FROM SOUTH SECTION OF SITE; ASKED MAC JOINT SECRETARIES MEET, DISCUSS DETAILS. SATURDAY SOURCES SAID ROKG HAS "SOME RESERVATIONS" ABOUT JSA PARTITION PROPOSAL, BECAUSE WOULD VIOLATE SPIRIT OF TRUCE (AP, NYT 8/29).
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KIM DAE JUNG, 17 OTHERS WHO ISSUED MYONGDONG DECLARATION CONVICTED SAT OF PLOTTING REBELLION. DEFENSE BOYCOTTED SESSION TO PROTEST SUPREME CT REJECTION THEIR OBJECTIONS TO TRIAL PROCEDURE, SPECTATORS APPLAUDED DEFENDENTS. KIM, YUN PO SUN, HAM SUK HON SENTENCED 8-YRS PRISON, OTHERS 5-YRS. KIM, 7 OTHERS REMAIN FREE, PENDING APPEAL. CARDINAL KIM CALLED VERDICT "TRAGEDY" FOR THOSE INVOLVED, PEOPLE AND NATION (SAAR, WP 8/28). DEMONSTRATORS PICKETED ROK EMBASSY, TOKYO, IN PROTEST AGAINST SENTENCES (WSTAR 8/29). MRS.KIM DOES NOT EXPECT GOVT LENIENCY, THO DEFENDENTS WILL APPEAL (CSM).

MOON SECT PLANS SEPT 18 WASHINGTON MONUMENT RALLY. REV. MOON WILL SPEAK; MAY BE LAST US APPEARANCE, SINCE WEIGHING MOVE TO EUR (WP 8/29). JOHNSON (WP 8/29) DESCRIBES SECT INVOLVEMENT IN SUMMER RECREATION ACTIVITIES DC AND SUBURBS, THROUGH WHICH CONVEYED SUBTLE/VARIED APPEALS TO YOUTH. BORGER (WSTAR 8/27) REPORTS ANTI-PORNO DEMONSTRATION BY MOONIES DOWNTOWN WASHINGTON THURS; SANG "GOD BLESS AMERICA", TO ACCOMPANIMENT 75-PC BRASS BAND.

4. INDONESIA

GALLOWAY (UPI) WRITES IN WP (8/29) THAT ELECTION FEVER ALREADY GRIPS 60 MILLION INDONESIAN VOTERS. SUHARTO GOVT HOPES FOR REPEAT OF 1971 RESULTS. OPPOSITION PARTIES REDUCED SO THAT GO KAR IS BEING OPPOSED BY ONLY TWO -- INDO NATIONALIST PARTY AND UNITED DEVELOPMENT PARTY IN NEXT YEAR'S ELECTION. UDP, WITH MOSLEM BACKING, REPRESENTS POTENTIALLY SERIOUS THREAT. UDP APPEARS STAKING OUT ANTI-CORRUPTION POSITION "IN A

COUNTRY WHERE VENALITY IS RAMPANT."

5. JAPAN

UPI PHOTO (WP 8/29; PHINQ 8/30; SUN 8/29) SHOWS DIETMAN YOHEI KONO EVADING KNIFE ATTACK KYOTO, SAT. RIGHT-WING ASSAILANT ARRESTED. KONO UNHURT; RECENTLY QUIT LDP TO FORM NEW LIBERTY CLUB, WITH FIVE OTHER FORMER UNCLASSIFIED

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LDP DIETMEN.

SUNDAY OHIRA/TATSUO OZAWA (DIRGEN ENVIRONMENT AGENCY) CALLED ON MIKI RESIGN. OHIRA CHARGED PM NEGLECTING POLITICAL RESPONSIBILITIES TO PURSUE LOCKHEED PROBE (CSM, WP).

JDA HAS PROPOSED RECORD 5.73 BILLION DOL JFY 77 BUDGET. DUE INFLATION, WOULD ADD ONLY 971 MEN/WOMEN TO 277,000 AUTHORIZED STRENGTH (UPI, NYT).

CULLISON (JOC) SAYS LDP LEADERS SEARCHING FOR COMPROMISE END INTERNAL POWER STRUGGLE. REVIEWS RECENT MOVES. SAYS 4 OPPOSITION PARTIES PRESSING GOJ RELEASE ALL KNOWN FACTS, PUBLISH NAMES ALL DIETMEN IMPLICATED FOR ANY REASON IN LOCKHEED SCANDAL.

NISSAN EXEC SAID, IN FINANCIAL TIMES INTERVIEW, FIRM MAY SOON BUILD AUTO PLANT W EUR NOT YET VIABLE, BUT DAY MAY COME SOON DUE W EUR MARKET GAINS (JOC, TOKYO).

JAPAN/IRAN REPS SIGNED AGREEMENT TOKYO FRIDAY FOR 308 MILLION DOL LOANS HELP FINANCE CONSTRUCTION BANDAR SHAHPUR PRETROCHEMICAL COMPLEX (JOC, TOKYO).

6. THAILAND

CSM SPEC NOTES NEW THAI BUDGET RECENTLY PRESENTED TO NATIONAL ASSEMBLY SHOWS MARKED INCREASE FOR MIL SPENDING -- SOME 620 MIL DOLS IN 1977 ON DEFENSE AGAINST 1975-76 TOTAL OF 480 MIL DOLS (26 PCT RISE), WITH DEFENSE ACCOUNTING FOR 18 PCT OF TOTAL BUDGET.

7. BURMA

GUB ANNOUNCED SUNDAY GENERAL CLEMENCY FOR 4,553 PERSONS JAILED FOR RIOTING IN CONNECTION WITH 1974 U THANT BURIAL. GOVT SAID AMNESTY WILL ALLOW 1,591 GO FREE AND 2,962 OTHERS WILL HAVE SENTENCES REDUCED (AP, NYDN).

8. PHILIPPINES

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GOP ANNOUNCES ARREST OF SECOND-RANKING NPA LEADER IN TWO DAYS -- VICTOR CORPUZ (WP 8/28).

MARCOS TOLD NEWS CONFERENCE FRIDAY MARTIAL-LAW RULE WILL CONTINUE, DESPITE CRIPPLING BLOWS PHILS SECURITY FORCES HAVE DEALT COMMUNIST-LED UNDERGROUND. CALLED ATTENTION TO SECOND REASON FOR HIS ASSUMPTION EMERGENCY POWERS -- NEED TO WIPE OUT CAUSES OF REBELLION. IN SURPRISING DEVELOPMENT, VICTOR CORPUZ PRESENTED TO NEWS CONFERENCE.

MARCOS APPROVES OCT 16 NATIONAL REFERENDUM ON WHETHER HE SHOULD LIFT MARTIAL LAW AND ESTABLISH NATIONAL LEGISLATIVE BODY, MANILA NEWSPAPERS REPORT (WP 8/29).

9. AUSTRALIA/NEW ZEALAND

ARRIVAL NUKE-POWERED CRUISER TRUXTON IN WELLINGTON HARBOR TOUCHES OFF STRIKE BY DOCK UNIONS, DISRUPTS PASSENGER FERRY SERVICE BETWEEN NZ NORTH-SOUTH ISLANDS (WP 8/28); DEMONSTRATORS TOPPLED 100-FT RADIO ANTENNA LINKING US MCMURDO SOUND ANTARCTIC BASE WITH NZ, AND MULDOON CALLED IN AIR FORCE IN ATTEMPT BREAK STRIKE (WP). NYT (AUCKLAND) DISPATCH SAYS BECAUSE OF UNION BAN ON TUG USE, TRUXTON HAS NOT BERTHED, BUT HAS ANCHORED IN HARBOR. NUMBER OF DEMONSTRATIONS ENGAGED IN PROTESTS NOT LARGE E ANYWHERE; IN CONTRAST, DIAL-A-SAILOR CAMPAIGN TO OFFER US SAILORS HOSPITALITY ON SHORE LEAVE BROUGHT LARGE RESPONSE FROM WELLINGTON CITIZENS.

NEW SOUTH WALES GOVT HAS BANNED ALL NUKE-POWERED WARSHIPS, APPARENTLY BLOCKING PROPOSED PORT CALL AT SYDNEY BY US CARRIER ENTERPRISE DURING JOINT US-AUSSIE EXERCISES NEXT MONTH (WP 9/29).

WP'S RICHARDS REPORTS US DEPT JUSTICE HAS RECEIVED LEAKED DOCUMENTS WHICH PURPORT TO SHOW INTERNATIONAL URANIUM PRICE-FIXING CONSPIRACY STRETCHING BACK TO 1972, WITH URANIUM PRODUCERS IN AUSTRALIA, FOUR OTHER UNCLASSIFIED

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NATIONS, MEETING ON NUMBER OF OCCASIONS TO SET WORLD URANIUM PRICES OUTSIDE US (GLOBE).

COMMERCIAL BANK OF AUSTRALIA LTD JOINING LATEST BANKING TREND WITH PLANS TO UPGRADE NY REPRESENTATIVE OFFICE TO AGENCY STATUS (JOC, SYDNEY).

COMMENT AND ANALYSIS

10. JAPAN

BY WEEK'S END SEIDEN (SUN 8/29) SAW LDP ON VERGE "TOTAL COLLAPSE" AS LOCKHEED SCANDAL CONTINUED SPLIT PARTY INTO 2 WARRING FACTIONS. LAST STRAW WAS TANAKA ARREST. LDP DIETMAN TOSHIO KIMURA PUBLICLY DENOUNCED PM FOR ALLOWING HAPPEN. ANOTHER LDP LEADER SUSPECTS MIKI MAY "IN HIS SUBCONSCIOUS" VIEW SOCIALISM AS STEP ABOVE CAPITALISM.

HARA (PHINQ) REVIEWS JAPAN'S RECOVERY. SAYS WOULD NOT HAVE BEEN POSSIBLE W/O UNIQUE "HOUSEHOLD" SYSTEM, UNDER WHICH LABOR/MANAGEMENT COOPERATE TO EASE IMPACT BUSINESS DECLINES.

11. KOREA

CSM DEPLORES "SORRY VERDICT" IN SEOUL, JAIL SENTENCES FOR MYONGDONG 18. CALLS IT "SAD COMMENTARY" ON STATUS SK POLITICAL FREEDOM. QUOTES CONVICTED QUAKER LEADER HAHM SUK HON, WHO HAS BEEN JAILED FOR VIEWS BY JAPANESE, NKOREANS, SYNGMANN RHEE -- "HAVE NOTHING TO BE ASHAMED OF... WAS A MATTER OF CONSCIENCE." RECALLS SUCCESSIVE SAIGON GOVTS ALSO JAILED CRITICS, URGES LESSON NOT BE LOST ON WASHINGTON.

SEN BUCKLEY (NY) TOLD PRESS AT CAMPAIGN APPEARANCE POUGH KEEPSIE SAT FAILURE CONGRESS HONOR COMMITMENT MODERNIZE ROK ARMED FORCES EMBOLDENED NKOREANS COMMIT KIND OF ACTS "THAT CAN LEAD TO BLOODY WAR" ON MAINLAND ASIA. URGED DEM-CONTROLLED CONGRESS HONOR OBLIGATIONS.

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RICHMOND TIMES-DISPATCH (8/19) STATES US LIBERALS WHO EXCORIATE SK FOR AUTHORITARIAN TRENDS MIGHT WELL, IN FAIRNESS, REDIRECT SOME OF VENOM AT NK FOLLOWING BARBARIC INCIDENT IN DMZ.

LANOUE (NATL OBSERVER 8/28) FOUND US, WHICH HAS "AWESOME DEFENSES," CURIOUSLY DEFENSELESS WHEN 2 OFFICERS HACKED TO DEATH. CITES OBSERVERS WHO SUGGEST NK ATTACK DESIGNED FOCUS ATTENTION ON COMING UN DEBATE. ADDS HAK ALSO PLANS UN SHOWDOWN ON PROPOSAL FOR 4-POWER TALKS RESOLVE KOREAN TENSIONS.

CHILDS (SUN 8/28) EXPLORES LINKS BETWEEN POLITICS/ EMOTIONS. WONDERS IF KOREAN TENSIONS WILL REMIND AMERICANS OF OLD BELIEF BETTER NOT CHANGE TEAM AT CONTROLS WHEN SHIP OF STATE ENDANGERED. RECALLS

HOW 1956 SUEZ WAR BOOSTED IKE VOTE. ALSO RECALLS HOW NATION "REMEMBERED THE MAINE," EVEN THO BLOWN UP BY INTERNAL EXPLOSION, AS ADM RICKOVER NEW BOOK SHOWS. OFFERS PRAYERFUL HOPE WILL BE NO SUCH INCIDENTS IN KOREA. BUTTERFIELD (NYT 8/28; EXCERPTED WSTAR 8/27) REVIEWS MOOD BEFORE MAC MEETING SAT. CITES ANALYSTS WHO NOW BELIEVE NK TRYING USE INCIDENT/US MIL BUILD-UP TO OVERCOME OWN DOMESTIC POL/ECON PROBLEMS. NOTES INTERNAL DISSENSION NK OVER KIM IL-SUNG NAMING SON HEIR-APPARENT; NK DEFAULT ON FOREIGN LOANS, ESTIMATED TOTAL 2.3 BILLION DOLS; UNCONFIRMED REPORTS OF NK FOOD SHORTAGES, LAGGING STEEL/TEXTILE/CEMENT PRODUCTION.

SAAR (WP 8/29), IN SEOUL, DESCRIBES "GLOOM AND SHOCK" IN COURTROOM WHEN MYONGDONG 18 SENTENCED. SEES AS SEVERE BLOW TO PARK OPPOSITION. NOTES AMEMBASSY OFFICIALS SAY THEY LOBBY "UNOFFICIALLY BUT EFFECTIVELY" TO MODERATE PARK REGIME TREATMENT OF POL PRISONERS. SAYS SOME BELIEVE US-ROK RELATIONSHIP SLOWLY CRUMBLING.

BUTTERFIELD (NYT 8/29) SAYS "HARSH SENTENCES" IN "MOST IMPORTANT POLITICAL TRIAL" IN SK HISTORY EXPECTED FURTHER INTIMIDATE BADLY WEAKENED OPPOSITION. CITES CARDINAL KIM CONCERN EFFECT MAY BE "TO SILENCE" PEOPLE. NOTES DEPMIN INFO ORGANIZED "LAVISH LUNCH" FOR FOREIGN UNCLASSIFIED

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PRESS AFTER VERDICT, INSISTED ROKG ACTING WITH "PRUDENCE AND RESTRAINT."

12. VIETNAM

PHINQ BELIEVES US/VN SHARE ONE AIM. NOTES ONE OF MOST MODERATE/CONCILIATORY SPEECHES ABOUT US AT COLOMBO DELIVERED BY PHAM VAN DONG, WHICH SAYS SOMETHING ABOUT "NONALIGNED" NATIONS, ALSO ABOUT VN COMMUNISTS, WHO ARE NOTHING IF NOT REALISTS. NOTES REAGAN CAMPAIGN FORCED FORD DECLARE APR "UNDER NO CIRCUMSTANCES" DO WE CONTEMPLATE RECOGNIZING NVN. MAY BE SO FOR TIME BEING, BUT URGES NEW ADMIN NEXT JAN CONSULT AMERICAN INTERESTS, WHICH UNLIKELY INCLUDE PERMANENT HOSTILITY TOWARD VN COMMUNISTS ANY MORE THAN DID AGAINST CHINESE COMMUNISTS.

EADS (WP SPEC, BANGKOK) INTERVIEWS TWO RECENT US REFUGEES FROM VN. PACIFIST QUAKER WM COOPER, IN VN SINCE 1968, STAYED BEHIND, WAS JAILED 9 MOS W/O EXPLANATION; NOW CONCLUDES NLF WAS SIMPLY FRONT FOR COMMUNISTS. BUSINESS-MAN FRED GULDEN WANTS GO BACK; BELIEVES COMMUNISTS NOT MONSTERS WE WERE LED TO BELIEVE AND HAK POSTURING ABOUT PARIS ACCORDS "RIDICULOUS."

13. CHINA

NYT NOTES NONE OF NATIONS THAT EMERGED DIVIDED FROM WWII HAS MADE AS LITTLE PROGRESS TOWARD SETTLEMENT, OR EVEN DISCUSSION OF SETTLEMENT, AS PRC AND ROC. SAYS HISTORY OF SOME DEGREE OF PROGRESS MADE BY KOREAS, GERMANY, ETC, GIVES INTEREST TO SEN HUGH SCOTT'S INFORMAL REMARK DURING RECENT PEKING VISIT THAT PRC IS READY "AT ANY TIME TO TALK WITH REPRESENTATIVES OF TAIPEI AND TO TRADE WITH TAIWAN." FEELS DIRECT TRADE WOULD BE FORM OF PRC RECOGNITION OF ROC'S SEPARATE STATUS, AS WOULD TALKS WITH ROC REPS. WONDERS IF STABILITY IN AREA WOULD NOT BE ADVANCED BY SIMULTANEOUS TAIPEI/PEKING TALKS AND A BEGINNING IN DIRECT TRADE.

IN 8/29 SUN, RAY CLINE ASSERTS ONLY REALISTIC BASIS
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COMPATIBLE WITH US MORAL/POLITICAL PRINCIPLES IN DEALING WITH CHINA PROBLEM FOR FORESEEABLE FUTURE IS "ONE-CHINA, TWO-STATE POSITION"--ACCEPTANCE OF PEKING'S DE FACTO CONTROL OF MAINLAND; OFFERING TO EXTEND PRC FULL DIPLOMATIC RECOGNITION WITHOUT SUBSCRIBING TO PEKING'S DE JURE CLAIM TO ALL TERRITORY CALLED CHINESE; AND MAINTAINING FULL DIPLOMATIC RELS AND HONORING OFFENSE TREATY WITH ROC.

IN 8/28 NYT OP-ED PIECE, YALE PROF REISMAN WARNS AGAINST ABANDONING ROC. ASSERTS WE HAVE ALREADY DEMONSTRATED INTEREST IN AMICABLE RELS WITH PEKING, SHOULD AFFIRM TO BOTH SIDES WE WILL NOT TOLERATE CHANGE IN ROC STATUS WITHOUT FULL/FREE CONSULTATION PEOPLE'S WISHES; SHOULD NOT UNILATERALLY ABROGATE DEFENSE TREATY WITH TAIWAN; SHOULD CONTINUE SELLING ROC ARMS--WHICH CAN ONLY BE USED FOR DEFENSE OF NATIONAL INDEPENDENCE, GIVEN PRC/ROC DISPARITIES.

NCUSCT'S PHILLIPS, INTERVIEWED AFTER RECENT PRC TRIP, SAYS PRC-US TRADE WILL REMAIN AT CURRENT LOW LEVEL UNTIL US RECOGNIZES PEKING. FOUND HUA REGIME HAS NO INTENTION ALTERING BASIC CHOU EN-LAI ECON POLICY OBJECTIVES CALLING FOR COMPLETE INDUSTRIALIZATION OF COUNTRY BY 2000, PARTLY THROUGH IMPORTATION WESTERN TECHNOLOGY/EXPERTISE. PHILLIPS ALSO LED TO BELIEVE CHINESE WILLING NEGOTIATE FROZEN ASSETS EVEN BEFORE DIPLOMATIC RECOGNITION ATTAINED (NYT'S CRITTENDEN).

NYT'S BUTTERFIELD, IN HK, CITES NEWLY-PUBLISHED OFFICIAL STATS THAT PRC INDUSTRIAL OUTPUT GREW 7 PCT IN FIRST HALF THIS YEAR--PERFORMANCE THAT HK ANALYSTS CONSIDER

GOOD THOUGH SOMEWHAT BELOW REMARKABLE AVERAGE CHINESE

INDUSTRY HAS ACHIEVED IN RECENT YEARS. ARTICLE ACCOMPANIED BY EASTFOTO OF STEEL BEING POURED INTO INGOTS AT TSINGTAO MILL IN SHANTUNG PROVINCE. SAYS ANALYSTS NOTE RECENT EARTHQUAKES EVIDENTLY HIT HARD AT PRC IRON/STEEL INDUSTRY.

14. GENERAL
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KRAFT (WP 8/29) VIEWS CARTER AS INEXPERIENCED IN FOREIGN POLICY. CITES INTERVIEW WITH SALINGER IN L'EXPRESS WHERE CARTER PROPOSES TO WORK WITH USSR TO ALLEVIATE NKOREAN THREAT. KRAFT SAYS CHINA, NOT USSR, IS MAJOR NK ALLY. TO WORK WITH USSR WOULD UNDERMINE US/PRC RELATIONSHIP EVERYWHERE, PARTICULARLY IN NE ASIA. WOULD ALSO CREATE STRAIN IN US-JAPAN RELATIONS, ALREADY THREATENED BY CARTER'S EARLY CALL FOR WITHDRAWAL US TROOPS FROM SK WITHIN FIVE YEARS.

JACK ANDERSON (WP 8/29) DISCUSSES HISTORY OF US PRESIDENTIAL MANIPULATION OF MILITARY CRISES. CITES TRUMAN ENTRANCE INTO KOREAN HOSTILITIES WITHOUT CONGRESSIONAL APPROVAL. SAYS PENTAGON WANTED TO USE NUKES AGAINST PRC DURING QUEMOY-MATSU CRISIS AND FALSELY TOLD WH NO PLANES CAPABLE OF CARRYING LARGE ENOUGH CONVENTIONAL BOMBS WERE AVAILABLE TO DESTROY PRC MUNITIONS AND GUNS. CITES SECRET DOCUMENTS WHICH SAY EISENHOWER APPROVED USE OF NUKES AS CONTINGENCY, BUT "WISELY KEPT HIS FINGER ON THE NUCLEAR BUTTON." FURTHER CITES LBJ USE OF TONKIN GULF INCIDENTS. CONCLUDES BY CALLING FOR CONGRESSIONAL LEADERSHIP TO BE CALLED IN "TO HELP JUDGE ANY FUTURE CRISIS."

SULZBURGER (NYT 8/29) BELIEVES CANDIDATES NOT DISPUTING US FOPOLICY SO MUCH AS ITS METHODOLOGY, AND WEAKNESSES KISSINGER HAS BUILT INTO SECSTATE POST. WHEN NEGOTIATES ME CEASE FIRE, OR CONDUCTS BACKDOOR APPROACHES TO MOSCOW/PEKING CANNOT BE ELSEWHERE, YET MUST KEEP UP RELS WITH OTHER AREAS AND CONGRESS. ONLY ANSWER SEEMS BE FACE UP HST SUGGESTION HAVE 2 CABINET POSTS--STAY AT HOME SECSTATE, ROVING NEGOTIATOR SECY OF FON AFFAIRS. ADDS RESPECT FOR US BY 3RD WORLD WOULD INCREASE IF NATION STRONG RATHER THAN MERELY GENEROUS. AT SAME TIME, URGES US STOP ACTING LIKE JINGOES, AS DID IN COSTLY RESCUE OF MAYAGUEZ, CUTTING DOWN POPLAR TREE--WHICH HARDLY COMPENSATE FOR BEING OUTFACED BY INDIA, VN, CAMBODIA, ANGOLA, EVEN NK. KISSINGER
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Review Date: 23 AUG 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 AUG 2004 by SilvaL0>; APPROVED <16 DEC 2004 by harterdg>
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Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: AUGUST 30 EA PRESS SUMMARY
TAGS: PFOR, XC, US
To: ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
MOSCOW
MULTIPLE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006